

EXHIBIT

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
W. R. GRACE & CO., et al.)	Case No. 01-01139 (JKF)
)	
Debtors.)	(Jointly Administered)
)	
)	
)	
)	

DECLARATION OF MARK SHELNITZ, ESQ.

I, Mark Shelnitz, after first being duly sworn, declare the following to be true:

1. I am a Vice President and the General Counsel and Secretary of W. R. Grace & Co. I have been the Company's General Counsel since April of 2005. Before being appointed General Counsel, I was Associate General Counsel and Secretary of the Company.

2. During 2004, Grace's in-house and outside counsel requested that its expert actuarial consultant prepare a preliminary estimate of Grace's asbestos-related funding obligations under the claims resolution procedures in its draft proposed plan of reorganization. ~~The actuarially based estimates developed as a result of that request reflected the mental~~ impressions and legal strategies of Grace's counsel, as we developed the terms of the proposed plan and worked with our expert actuarial consultant to establish the plan's funding parameters and to defend its terms in the pending litigation before this Court. The actuarially based estimate developed with our expert consultant in 2004 was the first time such an estimate had been provided to Grace since the filing of the bankruptcy petition. The proposed plan of reorganization that Grace filed with this Court in 2004 ultimately included a precondition that the amount to be funded by the Debtors would not exceed \$1.7 billion.

3. In the 2004 10-K, Grace increased its recorded asbestos-related accounting reserve by \$714.8 million, raising the reserve to a total of \$1,700 million. Grace increased the reserve amount to reflect the precondition in the proposed plan of reorganization for the maximum asbestos-related claim funding amount to be contributed by the Company. The 10-K disclosed that was the reason for the increase.

4. The same asbestos-related accounting reserve was also maintained in the 2005 10-K. No additional actuarially based estimates were obtained by the Company in 2005 in connection with that reserve.

5. I declare under penalty of perjury that the foregoing is true and correct.

Date: January 5, 2007


Mark Shelnitz, Esq.